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UNITED STATES GENERAL ACCOUNTING OFFICE

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HUMAN RESOURCES DIVISION

RELEASED

August 9, 1982

B-208465

The Honorable Bobbi Fiedler
House of Representatives



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Dear Ms. Fiedler:

Subject: Improper Use of Federal Student
Aid Funds for Lobbying Activities
(GAO/HRD 82-107)

We refer to your letter to the Comptroller General of March 26, 1982, pointing out that at least one university in California, --California State University, Northridge (CSUN) -- mounted a lobbying effort against cuts in the Guaranteed Student Loan Program. You requested our office to determine whether any Federal funds were involved in this effort and, if so, whether the lobbying effort was in violation of any Federal laws.

Our inquiry into this matter revealed that a maximum of about \$1,900 was expended on these lobbying activities. The estimated Federal portion, in violation of applicable appropriation act restrictions, was less than \$300. The estimate is based on data requested from and furnished by CSUN's Financial Aid Office. There were no records showing actual time spent on this project.

As part of our inquiry we (1) reviewed pertinent Federal laws and regulations, (2) obtained selected financial reports from the Department of Education and (3) visited the CSUN campus from June 14-16, 1982, and met with CSUN officials and employees.

The Federal funds involved were allowances for CSUN's costs to administer three Department of Education student aid programs--the National Direct Student Loan Program, the Supplemental Educational Opportunity Grants Program and the College Work-Study Program--for school year 1981-82. There were no administrative cost allowances to administer the Pell Grant Program or the Guaranteed Student Loan Program for 1981-82.

During early March 1982, officials of CSUN's Financial Aid Office held several meetings with recipients of student financial aid. At these meetings students were encouraged to write members of Congress to urge their support to oppose proposed funding cuts for student financial aid programs. Students were provided sample letters, stationery, and postage. The Federal funds involved in the lobbying activities were from administrative

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funds provided the CSUN for administering the three Federal student aid programs, and were expended primarily for staff salaries of the Financial Aid Office.

There are two anti-lobbying restrictions applicable to the Department of Education appropriations. One of these restrictions was included in the Treasury, Postal Service, and General Government Appropriations Acts for fiscal years 1981 and 1982, and reads as follows:

"No part of any appropriation contained in this or any other Act, or of the funds available for expenditure by any corporation or agency, shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress."

This prohibition applies to the use of any appropriation "contained in this or any other act." Thus, it is applicable to the use of appropriated funds by any Federal agency or department.

The other anti-lobbying appropriation restriction was contained in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Acts for fiscal years 1981 and 1982, and reads as follows:

"No part of any appropriation contained in this Act shall be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or film presentation designed to support or defeat legislation pending before the Congress, except in presentations to the Congress itself.

No part of any appropriation contained in this Act shall be used to pay the salary or expenses of any grant or contract recipient or agent acting for such recipient to engage in any activity designed to influence legislation or appropriations pending before the Congress."

This provision precludes the expenditure of Federal funds for activities that request members of the public to contact their congressional representatives and urge them to support or oppose legislation and/or appropriation measures.

The General Accounting Office has long held that these prohibitions, which were also included in previous appropriation acts, apply primarily to expenditures of appropriated funds involving appeals addressed to members of the public suggesting

that they contact members of Congress to indicate support of or opposition to pending legislation, or to urge members of Congress to vote in a particular manner.

The activities of the Financial Aid Office in urging students to contact their congressional representatives and request support for increased Federal aid for student assistance programs violated the provisions of the two appropriation restrictions.

The amount of funds illegally expended was quite small, and we believe it would not be cost effective for the Department of Education to recover these improper expenditures. We will, however, write a letter to the Secretary of Education requesting him to take appropriate action to insure that Federal student aid funds are not expended for lobbying activities in the future. We will furnish you a copy of our letter to the Secretary.

If you have any questions concerning the above information, we would be pleased to discuss them with you.

Sincerely yours,

Edward A. Gensmore

for Gregory J. Ahart
Director